

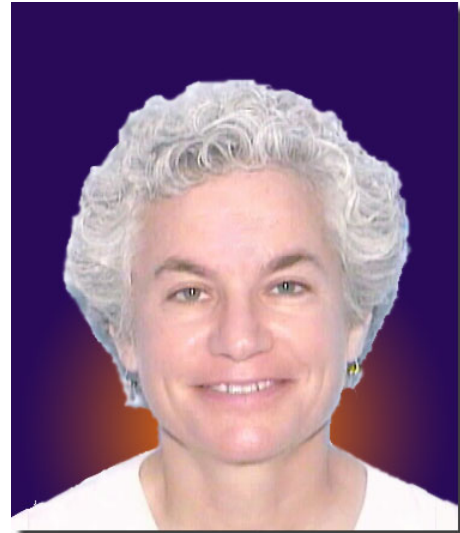


Budget and Performance Integration

The mission of the Budget and Performance Integration (BPI) Initiative of the PMA is to provide a greater focus on performance. The BPI integrates performance review with budget decisions. This integration is designed to identify high quality outcome measures, accurately monitor the performance of programs, and link resources to performance.

The Department has made significant progress in linking the allocation of resources to an objective assessment of whether programs actually deliver tangible benefits to the public. We are implementing these initiatives because they are the right things to do. We have developed our objectives under the guiding principle that "strategy drives budget." This focus will ensure that our planning and programming strategies drive resource allocation decisions, not vice versa. To fully implement "strategy drives budget," we have developed a number of interrelated objectives, implementation strategies and key activities to strengthen DOE as a strategy focused organization. The BPI objectives focus on establishing a baseline for planning, decision-making in a multi-year context, explanation of priorities and performance based decisions, strengthening accountability and bridging planning, budget financial data and operations.

All of our activities support the desired end result for DOE: a strategy focused organization. This focus will help us to demonstrate our value to the public, provide efficient delivery of programs and ensure tangible results that enhance our national and energy security.



Janet Garber
Director
Office of Program Analysis
and Evaluation



Highlights of What We've Accomplished

- *Issued New Streamlined Strategic Plan.* In 2003, DOE published a new 36-page Strategic Plan, which articulates DOE's national and economic security goals and serves as the guidepost for all resource, policy, program and operational decisions. The previous plan was an unwieldy 124-page document that was not widely used.
- *Used Performance Data to Make Program Decisions.* Performance data from PART (Program Assessment Review Tool) reviews, DOE's 250 performance measures, and financial data are systemically used to make policy, program, resource and operational decisions. For example, although the Administration supports expanded exploration for oil and gas, DOE recommended that funding for its oil and gas programs be reduced, based in part on the less than adequate performance of these programs identified through a PART review.
- *Established Reporting System to Improve Program Performance.* DOE established a system for monitoring progress in meeting performance targets. Progress is assessed each quarter and reported to the Deputy Secretary. Any program not achieving its targets must develop an action plan for improving performance. These plans are monitored by the Associate Deputy Secretary.
- *Established Efficiency Measures for each Program.* DOE established efficiency measures for each of its programs with the goal of streamlining program management and reducing costs.
- *Aligned Performance Plans with Strategic Goals.* DOE has aligned 77 percent of employee performance plans and all executive and manager performance plans with the goals in the strategic plan to help ensure accountability for mission accomplishment. All plans will be aligned by FY 2006.
- *Established the Senior Leadership Planning Conference.* DOE held annual senior leadership planning conferences to provide the Secretary with the opportunity to communicate his planning priorities to DOE's senior political and career leadership. This has formed the basis for the Department's annual Planning Guidance, which projects the Secretary's vision for attaining the Department's strategic goals and funding priorities.



FY 2005 Goals

- *Institutionalize Budget and Performance Integration across DOE.* Not all DOE components have systems in place to provide managers with performance data needed to make operational and budget decisions. In FY 2005, DOE will establish processes to ensure that performance data is available and is used on a routine basis for decision-making.
- *Institute Five-Year Budget Planning for All DOE Programs.* In accordance with Congressional direction, DOE is preparing five-year budget plans for three major programs (National Nuclear Security Administration, Office of Environmental Management and Office of Science) for the FY 2006 budget submission. DOE is required to submit five-year plans for its remaining programs with the FY 2007 budget request.
- *Apply project management principles to DOE programs.* To link cost, schedule and performance, DOE will establish a reporting process that highlights the cost, schedule and performance for each major program. This process will enable DOE programs to provide a quarterly report to DOE leadership on the performance of their program. The reporting will serve as an early warning system and ensure management has the appropriate information to make tradeoffs during current year operations. Internal to each program office, monthly reporting on cost, schedule, and performance will be documented to ensure that program office directors are well prepared to discuss the current status of their programs with DOE leadership.
- *Improve DOE Performance Measures.* DOE has over 250 performance measures which are tracked quarterly. During FY 2005, DOE will improve the measures to ensure they provide data that is useful for decision-making.